

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 18 – SB 51

March 17, 2017

SUMMARY OF ORIGINAL BILL: Imposes certain prescription refill timelines on prescription eye drops when already covered by an individual's health plan.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (003701): Adds language to the original bill clarifying that a policy or contract for a health benefit plan that is issued, renewed, or entered into on or after January 1, 2018, and provides coverage for prescription eye drops shall not deny coverage for a refill of a prescription, if it is a covered benefit under the policy or contract of the insured and is otherwise eligible for a refill.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Currently, the Division of Health Care Finance and Administration, TennCare program allows for prescription eye drop refills at 85 percent of the dosage in a 30-day supply. This allows an enrollee to refill their prescription every 25.5 days (30 days x 0.85 percent of dosage units). If an enrollee were to use the maximum number of refills per year, they would use 14.3 (365 days / 25.5 days before refill is allowed) refills.
- Based on information provided by TennCare, in a one-year period, 71 enrollees had prescription eye drops. Of the 71 enrollees, one used 13 refills per year and the other 70 enrollees used between 10 and 12 refills per year. The actual usage of prescription refills was always lower than the maximum allowed 14.3 refills.
- The proposed legislation would allow for a refill every 21 days on a 30-day supply, increasing the maximum amount of refills to 17.4 (365 / 21 days) per year.
- Assuming similar usage amounts per enrollee, increasing the maximum number of prescriptions from 14.3 to 17.4 refills will not result in a significant increase in the number of 30-day supply refills.

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- TennCare does not currently cover 60 or 90-day supply prescriptions for eye drops. The proposed legislation specifies the prescription limits only apply when already covered by an individual's health plan; therefore, 60 and 90-day supplies would remain uncovered.
- Based on information from Finance and Administration Benefits Administration, prescription eye drops are currently covered and do not require any prior authorization or quantity limits; therefore, the fiscal impact to Benefits Administration is not significant.
- The proposed legislation simply allows for a timeline for prescription refills if the health plan currently provides coverage for prescription eye drops. Therefore, the Department of Commerce and Insurance would not be required to cover any costs incurred by the carriers and is able to enforce the statute within existing resources.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

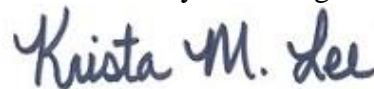
NOT SIGNIFICANT

Assumptions for the bill as amended:

- The proposed legislation simply allows for a timeline for prescription refills if the health plan currently provides coverage for prescription eye drops.
- Any impact on the number of prescription refills is estimated to be not significant.
- The proposed legislation will not significantly impact commerce or jobs in this state.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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